GOVERNMENT OF INDIA
STEEL
LOK SABHA

STARRED QUESTION NO:618
ANSWERED ON:09.05.2005
FOREIGN INVESTMENT IN INDIAN STEEL SECTOR
Satpathy Shri Tathagata;Verma Shri Ravi Prakash

Will the Minister of STEEL be pleased to state:

(a) the details of foreign companies who are interested to invest in Indian Steel Sector or propose to establish steel plants in India at present;

(b) the details of the companies out of them granted/likely to be granted permission for the same;

(c) the details of steel plants proposed to be set up by these foreign companies, State-wise and location-wise;

(d) whether any Memorandum of Understanding has been signed in this regard;

(e) if so, the details thereof alongwith terms and conditions laid down for the purpose;

(f) the quantum of investment involved in each of the proposals/projects;

(g) whether any such proposal is lying pending with the Government;

(h) if so, the details thereof and the reasons therefor; and

(i) the steps taken to clear the proposals alongwith solving the problems of domestic steel manufacturers, if any?

Answer

MINISTER OF CHEMICALS & FERTILIZERS AND MINISTER OF STEEL (SHRI RAM VILAS PASWAN)

(a) to (i): A statement is laid on the Table of the Lok Sabha.

STATEMENT REFERRED TO IN REPLY TO PARTS (A) TO (I) OF THE LOK SABHA STARRED QUESTION NO.618 TO BE ANSWERED ON 09/05/2005 TABLED BY S/SHRI TATHAGATA SATPATHY AND RAVI PRAKASH VERMA, MEMBERS OF PARLIAMENT REGARDING FOREIGN INVESTMENT IN INDIAN STEEL SECTOR

(a) Only one foreign company namely Pohang Steel Company (POSCO) has made a proposal to the Govt. of Orissa for setting up of a steel plant in the State. POSCO, based in Korea, is amongst leading steel manufacturing companies of the world.

(b) In terms of existing industrial policy provision, no prior permission is required to set up steel plants except where locational restrictions are attracted. Besides, foreign direct investment (FDI) upto 100% is permitted in the steel sector. As such, but for statutory clearances under environment and forest conservation laws, no permission is ordinarily required from the Central Government for setting up of steel plants.

(c) POSCO has proposed to set up, in phases, a steel plant of 12 million tones per annum capacity at Paradeep in the State of Orissa.

(d) No, Sir.

(e) Does not arise in view of the (d) above.

(f) The proposed POSCO steel plant envisages an investment in the steel plant of US$10 billion. Further US$2 billion is proposed to be invested in supporting infrastructure.

(g)&(h): Do not arise in view of (b) above.

(i) In a de-regulated regime the role of the Ministry of Steel has been transformed to that of a facilitator.